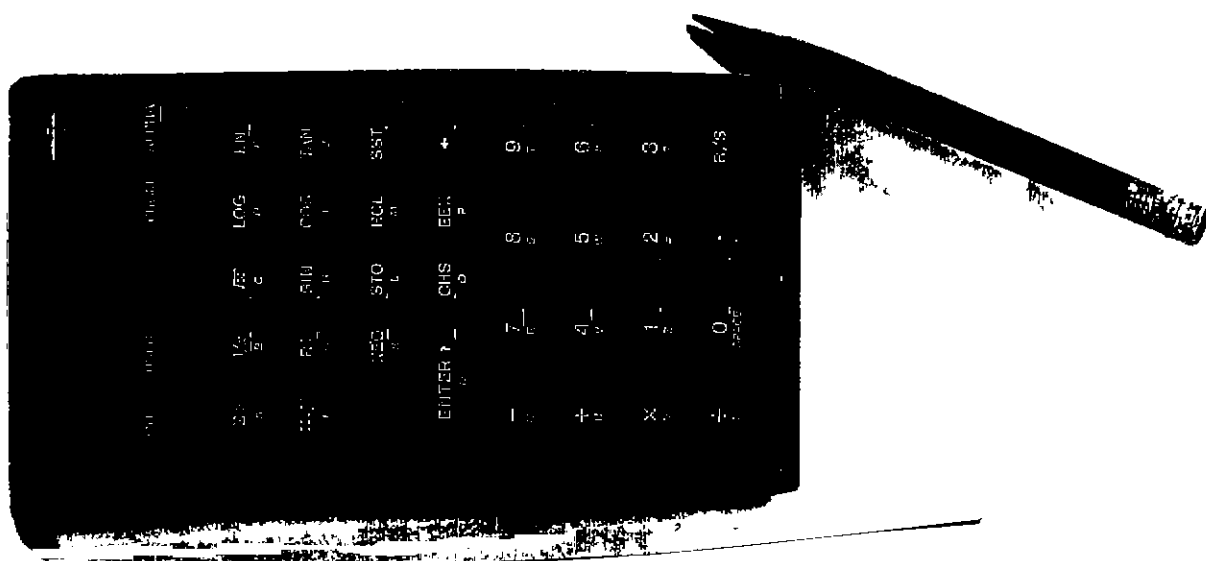


FACULTY SALARY REVISIONS

A Revision of the Commission's 1985 Methodology
for Preparing Its Annual Reports on Faculty
and Administrative Salaries and Fringe Benefits



CALIFORNIA POSTSECONDARY
EDUCATION COMMISSION



Summary

Senate Concurrent Resolution 51 (1965) requires the Commission to submit annual reports to the Governor and the Legislature on faculty compensation. Pursuant to that charge, over the years the Commission has developed various methodologies for comparing California faculty salaries and fringe benefits with those at comparable institutions elsewhere in the nation.

In March 1985, the Commission approved a number of changes in this methodology, but several issues remained unresolved, most notably the questions of how to present an analysis of fringe benefits, how to make estimates when data are incomplete, how to weight the data, whether to keep the names of the comparison institutions confidential, and which institutions to substitute for those in the State University's comparison group that were unable or unwilling to provide timely data.

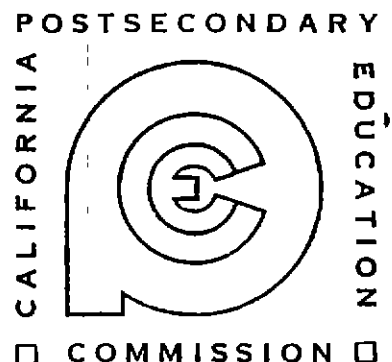
With this document, all of the issues left open in 1985 have been resolved by the Commission's Advisory Committee on the Faculty Salary Methodology. On all but one of the issues, the committee's vote was unanimous. This report explains the background of the methodology on page 1-6 and describes the revised methodology on pages 7-13.

On recommendation of its Policy Development Committee, the Commission adopted this report at its June 8, 1987, meeting for implementation during the decade from 1987-88 through 1996-97. Additional copies of the report may be obtained from the Publications Office of the Commission. Further information about the report may be obtained from William L. Storey of the Commission staff at (916) 322-8018.

FACULTY SALARY METHODOLOGY REVISIONS

*A Revision of the Commission's 1985
Methodology for Preparing Its Annual Reports
on Faculty and Administrative Salaries
and Fringe Benefit Costs*

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION
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Contents

1. Faculty Salary Methodology Revisions	1
Origins of the Faculty Salary Methodology	1
Changes in Methodology Through 1985	1
Developments Since 1985	2
The Revised Methodology	3
Conclusion	6
Acknowledgments	6
References	6
 2. Methodology for Determining University Faculty Salaries and Fringe Benefits	 7
1. Number and Timing of Reports	7
2. Principle of Parity	7
3. Comparison Institutions	7
4. Faculty to be Included and Excluded	8
5. Computation of Comparison Institution Mean Salaries	8
6. Five-Year Compound Rate of Salary Growth	8
7. Fringe Benefits	9
8. All-Ranks Average Salaries	9
9. Administrative, Medical, and Community College Salaries	10
10. Supplementary Information	12
11. Criteria for the Selection of Comparison Institutions	12

1 *Faculty Salary Methodology Revisions*

Origins of the faculty salary methodology

In 1960, the Master Plan Survey Team recommended that California's proposed higher education coordinating agency offer comments on the general level of support sought by its public colleges and universities and collect "pertinent data" on faculty supply and demand (Master Plan Survey Team, 1960, p. 136). The Coordinating Council for Higher Education, created in 1961, soon collected and presented some data, but the need for a more formal system of determining fair levels of faculty salaries quickly became evident. Consequently, in 1964 the State Assembly approved HR 250, which requested the Legislative Analyst to determine a method for reporting faculty salary data to the Legislature. This led to the approval of Senate Concurrent Resolution 51 in 1965, which required the Coordinating Council to "submit annually to the Governor and the Legislature not later than December 1 a faculty salary and welfare benefits report," such report to conform to the recommendations offered previously by the Legislative Analyst.

Since 1966, the Council, and its successor, the California Postsecondary Education Commission, have submitted faculty salary reports in response to that mandate, each report consisting principally of data from the University, the State University, and their respective groups of comparison institutions. Through the application of a formula developed by the Commission, a number known as the "parity percentage" is developed that projects the salary increase required to bring California's institutions to the average of their comparison institutions in the forthcoming budget year.

Deriving the parity percentage has required the development of a methodology that names the comparison institutions for each segment, provides criteria for their selection, and details the formula through which the parity percentage is derived. The methodology also provides for the collection of supplemental information on faculty demographics and calls for the development of special reports on Community

College faculty salaries, administrators' salaries, and medical faculty salaries.

Changes in methodology through 1985

Between 1965 and 1977, the Coordinating Council and later the Commission experimented with a considerable number of methodological and analytical techniques. Early versions of the methodology encountered considerable opposition from the Legislative Analyst, principally because most of the 20 institutions on the State University's comparison list offered some doctoral degrees, unlike the State University. Nonetheless, the Coordinating Council and then the Commission found that to exclude all institutions that granted even one doctorate degree would produce a comparison list that resembled the size, quality, and diversity of the State University in very few respects.

Accordingly, the Commission formed an Advisory Committee on the Faculty Salary Methodology consisting of representatives from the segments, the Department of Finance, the Legislative Analyst, and the Commission in an attempt to produce a compromise, and that compromise was reached in the methodology revision approved by the Commission in 1977. For the next six years, the methodology remained relatively stable, but by 1984, national economic changes and improvements in data processing necessitated a comprehensive re-examination of the 1977 procedures. That re-examination began on September 13, 1984, when the advisory committee met to develop an outline for the ensuing study. The first phase of that effort was completed in March 1985, when the Commission approved its report, *Methods for Calculating Salary and Fringe Benefit Cost Comparisons, 1985-86 to 1994-95*, which, despite several unresolved issues, introduced a new list of comparison institutions for the California State University and changed the formula for developing the State University's parity percentage.

That report represented an important agreement in at least four respects

- 1 The list of comparison institutions for the State University, whose faculty for several years had received lower annual cost-of-living increases than most others in the United States, was revised. The revision was necessitated by the fact that about half of that segment's comparison institutions were located in the upper midwest, an area that had suffered a severe economic recession and was therefore unable to support its institutions of higher education at the same level as in prior years. With the revised list of colleges and universities -- one that exhibited far greater economic and regional balance, was more evenly divided between public and private institutions, and more closely resembled the State University system in the mix of large and small institutions -- the Commission offered a strong statement in favor of economic justice.
- 2 In addition to changing the comparison institution list for the State University, the Commission also revised the formula for computing the parity figure in order to resolve a long-standing criticism from the Office of the Legislative Analyst that comparison institution salaries were improperly weighted by the California State University staffing pattern. The solution was to use an average of the California and comparison institution patterns, thereby eliminating any bias in favor of one or the other.
- 3 The third major change was to move from two annual reports to one. For the previous 13 years, the Commission had issued a preliminary report in December, based on prior-year data, and a final report in April, based on current-year data. In 1985, this was changed to a single December report based on current-year data. The changed format, although beset with difficulties in obtaining timely data, was most helpful to the Department of Finance, and after two years of experience, it appears certain that a parity percentage as accurate as any published in the Commission's previous final reports can be obtained some four to five months earlier than before.
- 4 The final change was to present medical faculty salary data biennially instead of annually. This change was effected to save the University of

California time and expense, it has had no known policy implications.

Developments since 1985

In spite of the 1985 consensus, four of the 20 institutions selected for the State University's comparison group -- all of them independent institutions -- subsequently indicated that they preferred not to provide the necessary data for the annual survey. In addition, it soon became apparent that several other institutions could not provide data in a timely manner. As a result, the advisory committee reconvened in April 1987, not only to find substitutes for the four institutions unwilling to cooperate and to determine a procedure for dealing with incomplete data, but also to consider all of the unresolved issues from the 1985 report, including those concerning the weighting of comparison institution data, the use of a five-year average for the budget year projections, the presentation of administrative salary data, the treatment of fringe benefits, and the nature and extent of supplemental information. In addition, the committee agreed to change the date on which comparison data must be submitted to the segments, issued more specific instructions as to the type of data required to be submitted, changed the list of administrative positions to be surveyed, and made a number of technical and editorial changes.

All but one of the issues that came before the committee in 1987 have now been resolved to the satisfaction of the Commission, the Department of Finance, the Office of the Legislative Analyst, and the segments, and it is therefore intended that the new methodology will remain in effect for the next ten budget cycles starting in 1987-88.

The one exception to full agreement is the Legislative Analyst's objection to the continued assigning of equal weights to each of the eight institutions in the University of California's comparison group. Ever since the passage of Senate Concurrent Resolution 51 in 1965, the comparison institution data obtained for the University and the State University have been treated differently in this respect, with the salaries paid at each of the University's eight comparison institutions given an equal weight in the computation of their overall average, while salaries paid at each of the State University's 20 comparison institutions are weighted by the number of faculty at the

institution involved. Normally, the Commission would apply the State University method to the University, since it more accurately reflects the salaries paid to the total market of faculty used in the comparison, but such a practice is questionable for the University's comparison group for three important reasons

- First, as indicated in Display 1, the public institutions in the University's group are quite large, enough so that weighting salaries by the number of faculty would substantially reduce the influence of the private institutions

DISPLAY 1 Number of Faculty at Each of the University of California's Eight Comparison Institutions, 1985-86

Institution	Total Number of Faculty
<i>Public Institutions</i>	
State University of New York at Buffalo	672
University of Illinois, Urbana	1,694
University of Michigan, Ann Arbor	1,303
University of Wisconsin, Madison	1,145
<i>Private Institutions</i>	
Cornell University	665
Harvard University	809
Stanford University	710
Yale University	609
<i>Totals</i>	
Public Institutions	4,814
Private Institutions	2,793
Total	7,607
<i>Percentages</i>	
Public Institutions	63.3%
Private Institutions	37.7
Total	100.0

Source: *Academe*, 1986

- Second, there is no evidence from data on the origins and destinations of faculty that there are more exchanges of faculty between the University of California and the public institutions than with the private institutions. Accordingly, it cannot be concluded that the public institutions' larger size

gives them a more prominent role in the recruiting market than the private institutions

- Third, the University of California has long operated under what is known as the "star system," which refers to a recruiting process designed to obtain the most pre-eminent teachers and researchers in a given discipline. Institutional size has little to do with the success or failure to recruit a particular "star." Thus it can easily be demonstrated that Yale, with only 609 total faculty, is as strong a competitor for a particular individual as the University of Illinois with 1,694 faculty. Because of this equality, or near equality, in recruiting ability, it has always seemed prudent to the Commission to accord the salaries paid at Cornell, Harvard, Stanford, and Yale an equal weight with those paid at SUNY Buffalo and the Universities of Illinois, Michigan, and Wisconsin.

Accordingly, because this difference in weighting is acceptable to all parties except the Legislative Analyst, it is continued in the new methodology. At the Analyst's request however, the Commission has agreed to describe fully, in each of its annual salary reports, the reasons for the differential weighting.

The revised methodology

Part two on pages 9-15 describe the new methodology. The remaining paragraphs of this part summarize the changes from the 1985 version.

Section 1

- 1 The years to which the methodology applies are extended two years, and now include the period between 1987-88 and 1996-97.
- 2 The date on which the segments must present data to the Commission is changed from November 15 to December 5 of each year. This is to allow additional time for the comparison institutions to report last minute data while preserving sufficient time for the Department of Finance to incorporate the results of the comparison methodology into their deliberations on the Governor's Budget. The fact that the data must be submitted to the Commission by December 5, and Commis-

sion staff then verify the data and report to the Department of Finance on the same day, is now possible with the use of electronic spreadsheets. Communication with the Department of Finance and the Office of the Legislative Analyst is by telephone, with a written report to be transmitted to the Governor and the Legislature in January or February.

- 3 The additional language in Section 1 of the proposed methodology details the exact nature of the raw data to be provided to the Commission by the segments, and provides also that the names of the comparison institutions shall be kept confidential.

Section 2

Section 2 of the revised methodology contains no change from the version approved by the Commission in March 1985.

Section 3

- 1 Section 3 of the methodology concerns comparison institutions. In 1985, the University of California was considering requesting a change in one of its comparison institutions, hence the language that the University's comparison list was an open item. Since that time, the University has decided not to propose changes.
- 2 To replace those institutions unwilling to cooperate in the national survey of faculty compensation, the State University's comparison institution list contains four changes from those approved by the Commission in 1985. These include Tufts University for Boston University, the University of Maryland (Baltimore County) for the University of Miami (Florida), Loyola University (Chicago) for DePaul University, and Reed College for Lewis and Clark College (both located in Oregon). Following an analysis of the salaries paid to the two groups of four institutions, it was determined that the net effect on the parity figure was negligible.

Section 4

Starting in Section 4 and continuing throughout the methodology, the word "average" has been changed to "mean." This is a more precise term, and avoids any confusion with other "averages," such as modes and medians.

Section 5

In Section 5, the unresolved issue of whether the University's comparison institutions' average salaries should be weighted by the number of faculty at each institution was resolved by a majority of the advisory committee in favor of continuing an equal weight to each of the eight universities involved. As noted in the introduction, the Office of the Legislative Analyst dissented from this decision.

Section 6

The major addition of language in Section 6 outlines the procedures to be followed when complete salary data cannot be obtained by the December 5 deadline from any comparison institution. Complete data are defined as a detailed current-year computerized payroll printout that specifies the number of faculty and the salary expenditures at each rank, with the cost-of-living adjustment for the current year included. If either the salary expenditures or the staffing pattern (the number of faculty at each rank) are not available, actual mean salaries cannot be calculated, and it becomes necessary to generate an estimated mean.

Experience indicates that, when no current year data are available, but the anticipated cost of living adjustment is known (e.g., 5.5 percent), it is probable that the actual increase in mean salaries will be only 95 percent of the projected increase (e.g., $0.055 \times 95 = 0.0523$ or 5.2%). Accordingly, the methodology provides for the application of the 95 percent adjustment. The subsequent three paragraphs of the revised methodology deal with similar situations where complete data are unavailable by the December 5 deadline. The final paragraph requires the segments to submit a supplemental report, with final data, not later than April 1.

It should be noted that this section now applies only to salary data. Reporting requirements for fringe benefit data are now detailed in Section 7.

Section 7

For many years, there has been considerable dissatisfaction with the presentation of fringe benefit cost data, and the Commission has included a comprehensive disclaimer with regard to these data in several previous annual reports. The basic problem is that the largest cost item in any fringe benefit package is the retirement program, and there is not always a close relationship in such programs between employer costs and employee benefits. Consequently, merely reporting employer contributions to retirement programs does not often provide a true measure of the "value" of the benefits.

Because of this problem, the Legislative Analyst recommended, and the Legislature approved, Supplemental Budget Act Language that required the four-year segments to study "normal costs" of various retirement systems in their comparison institutions. This actuarial concept generally provides a more accurate indication of real costs and benefits, and is consequently more useful in determining how comparable California's programs are to those in other states.

In the summer of 1985, both segments issued their reports, which were included in the Commission's 1986-87 annual faculty salary report. In general, the data provided were regarded by members of the advisory committee as more informative than the simple cost data presented previously, and the committee therefore agreed to institutionalize the process by conducting similar comprehensive surveys every four years. This interval appeared to the committee to be reasonable, first since most institutions do not change their fringe benefit packages often, and second because the process of determining "normal costs" is time consuming and expensive. With the first report having been presented in 1985, it was suggested that the next regular interval should be 1989, then every four years thereafter. A June 30 deadline is specified in the methodology.

Section 8

All of the changes in Section 8 are technical or editorial, with two exceptions: (1) Based on an analysis by the State University and a review of that analysis by Commission staff, the deduction from the parity percentage to reflect the existence of higher paid law faculty in the comparison institutions has been changed from 0.8 percent to 0.2 percent, and (2) an additional deduction, to be determined annually, has been added to account for the effect of unallocated merit salary awards which are always budgeted separately from the faculty salary appropriation. In 1986-87, this amount was 0.8 percent; in 1987-88, it was 0.75 percent.

Section 9

In Section 9, a number of changes have been offered in the analysis of administrators' salaries, principally the inclusion of central office administrative salaries. Previously, the Commission surveyed only campus-based positions, since there was no basis for a national comparison of central office administrators. Nevertheless, during deliberations of the advisory committee, the Legislative Analyst's representative requested the inclusion of twelve position categories in the University of California's Office of the President, and ten similar positions in the Chancellor's Office of the California State University. Accordingly, the annual report on administrators' salaries will include national comparisons for 18 campus-based positions, and a presentation of the salaries paid to between 10 and 12 central office personnel without comparisons to any other administrative entity.

No changes were suggested for the reports on medical faculty salaries and Community College faculty salaries beyond the biennial reporting requirement for medical salaries approved by the Commission in 1985.

Section 10

Section 10 concerns supplementary information. When the Commission approved the methodology in

1985, the University of California had begun publication of a comprehensive report on faculty demographics and related data, but the question of supplementary information from the California State University remained unresolved. Since that time, the State University has agreed to submit data on basic faculty demographics (age, sex, ethnicity), promotions and separations, origins and destinations, and such other information as it considers appropriate. Both segments will report by April 1 each year.

Section 11

Concerning Section 11, the criteria for selecting University and State University comparison institutions, there are no substantive changes.

Conclusion

The methodology for determining "fair" levels of faculty salaries in California's four-year segments has evolved from its rudimentary beginnings in 1965 to the document presented as Appendix B in this report. Efforts by the Commission's Advisory Committee on the Faculty Salary Methodology have produced a consensus on almost all of the unresolved issues discussed in the 1985 report, solved several technical problems associated with the State University's new list of comparison institutions, and found a way to provide current-year data several months earlier than had previously been the case. With this consensus, it should be possible to adhere to the methodology contained in this report for the next ten years, and possibly longer.

Acknowledgments

The Commission wishes to thank the following members of the Advisory Committee on the Faculty Salary Methodology:

California State Department of Finance

Robert L. Harris, Program Budget Manager
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Office of the Legislative Analyst

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The California State University

Caesar Naples, Vice Chancellor, Faculty and Staff Relations
John M. Smart, Deputy Provost
Thierry Koenig, Personnel Analyst

The Commission also wishes to thank Paul Worthman and Bob Gurion of the California Faculty Association for their assistance.

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Master Plan Survey Team. *A Master Plan for Higher Education in California 1960 to 1975*. Sacramento: California State Department of Education, 1960.

California Postsecondary Education Commission. *Methods for Calculating Salary and Fringe Benefit Cost Comparisons 1985-86 to 1994-95*. Commission Report 85-11. Sacramento: The Commission, March 1985.

The Annual Report on the Economic Status of the Profession," *Academe*, 72:2 (March-April, 1986): 20-62.

2

Methodology for Determining University Faculty Salaries and Fringe Benefits

The following procedures will be employed by the California Postsecondary Education Commission to develop its annual report on faculty salaries and fringe benefits in California public higher education for the ten-year period from 1987-88 to 1996-97

1. Number and timing of reports

One report will be prepared by the Commission each year. That report will contain current-year data from both the University of California's and the California State University's comparison institutions, such data to be submitted by the segments to the Commission, the Department of Finance, and the Legislative Analyst not later than December 5 each year. The segmental submissions are to include total nine and eleven-month expenditures, and the number of faculty, at each rank specified in Section 4 of this document for each comparison institution. Comparison institutions should be identified only by letter code. Commission staff shall verify the accuracy of the segmental calculations and report the results of its analysis to the Department of Finance and the Office of the Legislative Analyst on December 5, or the first working day following December 5 if the latter falls on a weekend. The Commission shall submit a report on the subject to the Department of Finance and the Joint Legislative Budget Committee not later than February 15.

2. Principle of parity

The report will indicate needed percentage increases (or decreases) for the forthcoming fiscal year in salaries and fringe benefit costs for University of California and California State University faculty to achieve and maintain parity with comparison institution faculty at the ranks of professor, associate professor, assistant professor, and (at the State University only) instructor. Parity is defined as the mean of all salaries paid by the comparison institu-

tions as a whole at each rank. A separate list of comparison institutions will be used by each of the four-year California segments of higher education.

3. Comparison institutions

University of California

Comparison institutions for the University of California will be the following:

Cornell University*
Harvard University*
Stanford University*
State University of New York, Buffalo
University of Illinois, Urbana
University of Michigan, Ann Arbor
University of Wisconsin, Madison
Yale University*

The California State University

Comparison institutions for the California State University will be the following for the years 1987-88 through 1996-97:

Northeast

Bucknell University*
Rutgers the State University of New Jersey, Newark
State University of New York, Albany
Tufts University*
University of Bridgeport*

South

Georgia State University
North Carolina State University
University of Maryland, Baltimore County
Virginia Polytechnic Institute and State University

North Central

Cleveland State University
Loyola University, Chicago*
Mankato State University
Wayne State University

University of Wisconsin, Milwaukee

West

Arizona State University

Reed College*

University of Colorado, Denver

University of Nevada, Reno

University of Southern California*

University of Texas, Arlington

* Independent Institution

4. Faculty to be included and excluded

University of California

Faculty to be included in the comparisons are those at the ranks of professor, associate professor, and assistant professor (the University does not use the rank of instructor) employed on nine and eleven-month (prorated) appointments, with the exception of faculty in law, the health sciences, summer sessions, extension programs, and laboratory schools, to the extent that these faculty are covered by salary scales or schedules other than those of the regular faculty. Faculty on the special salary schedules for engineering, computer science, and business administration will be included with the regular faculty.

Faculty members to be included are those assigned to instruction (regardless of their assignments for research and other University purposes), department chairmen (if not on an administrative salary schedule), and faculty on salaried sabbatical leave.

The number of University faculty will be reported on a full-time-equivalent basis.

The California State University

Faculty to be included in the comparisons are those with full-time appointments at the ranks of professor, associate professor, assistant professor, and instructor, employed on nine and eleven-month (prorated) appointments, department chairmen, and faculty on salaried sabbatical or special leave. Faculty teaching seminar sessions or extension will be excluded.

Funds appropriated for "outstanding professor awards" will be included in the State University's mean salaries.

The number of State University and comparison institution faculty will be reported on a headcount basis.

5. Computation of comparison institution mean salaries

As indicated below, the University and the State University use different methods to compute mean salaries in their respective groups of comparison institutions. The Commission will provide a detailed explanation of these differences in its annual report.

University of California

For the University's comparison group, the mean salary at each rank will be obtained for each comparison institution. The mean salary at each rank for the comparison group as a whole will then be calculated by adding the mean salaries at the eight comparison institutions and dividing by eight.

The California State University

For the State University's comparison group, the total actual salary dollars paid at each rank for the group as a whole will be divided by the number of faculty within the rank at all 20 institutions to derive the mean salary for each rank.

6. Five-year compound rate of salary growth

In order to compute the estimated salaries to be paid by the comparison institutions in the budget year, a five-year compound rate of change in salaries will be computed using actual salary data for the current year and the fifth preceding year.

Each segment will compute the mean salary, by rank, for their respective comparison groups as specified in Section 5 above. Each will then calculate the annual compound rate of growth at each rank between the current year and the fifth year preceding the current year. These rates of change will then be used to project mean salaries for that rank forward one year to the budget year.

In the event that neither current-year staffing nor mean salary data can be obtained from a comparison institution in a timely manner, the staffing pattern and salary expenditure data from the prior year will be used with the expenditures at each rank being incremented by 95 percent of the anticipated current-year salary increase. If current-year staffing data are available, but not current-year salary expenditure data, the staffing data will be used with the prior-year expenditures at each rank being incremented by 100 percent of the anticipated current-year salary increase.

When a comparison institution does not supply both its current-year staffing and salary expenditure data, and when that institution does not anticipate a general faculty salary increase in the current year, the prior-year staffing and expenditure data will be assumed to remain unchanged for the current year.

When current year staffing and salary expenditure data are available, but do not reflect the full extent of planned salary adjustments (e.g., reported data do not include a specified percentage to be granted after July 1 of a given fiscal year), the salary expenditures at each rank will be adjusted to reflect the full extent of the planned adjustment.

When complete staffing and expenditure data are available for neither the current nor prior years, the most recent year for which complete data are available will be used. In such a case, expenditures at each rank will be incremented by 95 percent of the anticipated salary expenditures increase for each year in which complete data are unavailable.

If the University of California or the California State University are unable to obtain complete current-year staffing and salary expenditure data from all of their respective comparison institutions by December 5 of any year, a supplemental report will be filed with the Commission, the Department of Finance, and the Office of the Legislative Analyst as soon as the data become available, but not later than April 1 of the subsequent calendar year, such update to include all additional data received since December 5. If the comparison institution data remain incomplete as of the April 1 date, a final report will be filed on June 30, or at such earlier time as the University or the State University are able to supply complete data.

7. Fringe benefits

On June 30, 1989, and every fourth year thereafter, the University of California and the California State University shall submit reports on faculty fringe benefits for the preceding fiscal year, such reports to include the following information for their own system and for each comparison institution:

- a The mean employer and employee contribution for retirement programs, health insurance programs (including medical, dental, vision and any other medical coverage), Social Security, and life, unemployment, workers' compensation, and disability insurance,
- b The mean contribution needed to fund the "normal costs" of the retirement systems, and
- c Any further information available, in addition to the cost data, on actual benefits received.

8. All-ranks average salaries

All-ranks mean salaries will be calculated for each segment in the current year, and the comparison institutions' mean salaries in the current and budget years, by using the following procedures:

University of California

Both the University's and its comparison institutions' mean salaries at each rank will be weighted by the University's projected budget-year staffing pattern. The all-ranks mean salaries produced thereby will be compared and percentage differentials computed for both the current and budget years. The percentage differential between the University's current year all-ranks mean salary and the comparison group's projected budget year all-ranks mean salary will constitute the percentage amount by which University salaries will have to be increased (or decreased) to achieve parity with the comparison group in the budget year.

The California State University

Both the State University's and its comparison institutions' current-year staffing patterns will be em-

ployed. The rank-by-rank mean salaries will be separately weighted by the respective staffing patterns for both the current and budget years so that two sets of all-ranks mean salaries will be derived. The two all-ranks mean salaries for the State University in the current year (the first weighted by the State University's staffing pattern and the second by the comparison group's staffing pattern) will be added together and divided by two to produce the overall mean. Similarly, the current and budget-year all-ranks mean salaries for the comparison institutions will be added and divided by two to produce overall means for both the current and budget years. The State University's current-year all-ranks mean salary will then be compared to the current and budget-year comparison institution all-ranks mean salary to produce both current and budget-year parity percentages. The percentage differential between the State University's current-year all-ranks mean salary and the comparison group's projected budget-year all-ranks mean salary will constitute the "Gross Percentage Amount" by which State University salaries will need to be increased or decreased to achieve parity with the comparison group in the budget year.

The "Gross Percentage Amount" will be reduced by applying three adjustments:

- First, two-tenths of one percent (0.2 percent) will be deducted to account for the effect of turnover and promotions in the budget year.
- Second, an additional two-tenths of one percent (0.2 percent) will be deducted to account for the effect of higher paid law-school faculty in eight of the State University's comparison institutions.
- Third, an additional percentage amount, to account for the effect of unallocated merit salary awards, shall be deducted when applicable. The amount to be deducted shall be mutually agreed to by Commission staff and the Chancellor's Office of the State University.

9. Administrative, medical, and community college salaries

Administrative salaries

In its annual faculty salary report, the Commission will report the salaries paid to selected central-office and campus-based administrators at the University and the State University. The Commission shall also include data on comparable campus-based positions from both the University's and the State University's respective comparison institutions. The University and State University will use the same group of comparison institutions as for their faculty surveys.

The campus-based administrative positions to be surveyed shall include those listed in Display 1.

In addition to these campus-based positions for which the national survey shall be conducted, the University and the State University shall also report the salaries paid to all central office personnel with the position titles listed in Display 2.

Medical faculty salaries

The Commission will include data on comparative salaries and compensation plans for the University of California and a select group of comparison institutions on a biennial basis commencing with the 1985-86 academic year. Comparison institutions to be surveyed will be Stanford University, the University of Chicago, the University of Illinois, the University of Michigan, the University of North Carolina, the University of Texas at Houston, the University of Wisconsin, and Yale University. Disciplines to be surveyed will be internal medicine, pediatrics, and surgery, which, taken together, will be considered representative of the medical profession as a whole.

Community college faculty salaries

In its annual report on faculty salaries, the Commission shall include such comments as it considers ap-

DISPLAY 1 *Campus-Based Administrative Positions for Which Current-Year Salaries at the University of California, the California State University, and Their Respective Comparison Institutions Are to Be Reported in the Commission's Annual Administrators' Salary Survey*

University of California	The California State University
1 Chief Executive Officer/Single Institution	1 Chief Executive Officer/Single Institution
2 Chief Academic Officer	2 Chief Academic Officer
3 Chief Business Officer	3 Chief Business Officer
4 Director of Personnel/Human Resources	4 Director of Personnel/Human Resources
5 Chief Budget Officer	5 Chief Budget Officer
6 Director of Library Services	6 Director of Library Services
7 Director of Computer Services	7 Director of Computer Services
8 Director of Physical Plant	8 Director of Physical Plant
9 Director of Campus Security	9 Director of Campus Security
10 Director of Information Systems	10 Director of Institutional Research
11 Director of Student Financial Aid	11 Director of Student Financial Aid
12 Director of Athletics	12 Director of Athletics
13 Dean of Agriculture	13 Dean of Agriculture
14 Dean of Arts and Sciences	14 Dean of Arts and Sciences
15 Dean of Business	15 Dean of Business
16 Dean of Education	16 Dean of Education
17 Dean of Engineering	17 Dean of Engineering
18 Dean of the Graduate Division	18 Dean of the Graduate Division

DISPLAY 2 *Central-Office Administrative Positions for Which Current-Year Salaries Are to Be Reported in the Commission's Annual Administrators' Salary Survey*

University of California	The California State University
1 President	1 Chancellor
2 Senior Vice President	2 Provost-Vice Chancellor or Executive Vice Chancellor
3 Vice President	3 Deputy Provost
4 Associate Vice President	4 Vice Chancellor
5 Assistant Vice President	5 Associate Vice Chancellor
6 General Counsel of the Regents	6 Assistant Vice Chancellor
7 Deputy General Counsel of the Regents	7 General Counsel
8 Treasurer of the Regents	8 Associate General Counsel
9 Associate Treasurer of the Regents	9 Director of Governmental Affairs
10 Secretary of the Regents	10 Auditor
11 Director of State Governmental Relations	
12 Auditor	

appropriate to satisfy the recommendation of the Legislative Analyst contained in the Analysis of the Budget Bill, 1979-80. Comments shall be directed to, but need not be limited by, the contents of the Annual Report on Staffing and Salaries of the Community Colleges' Chancellery

10. Supplementary information

Supplementary information shall be supplied annually by both the University of California and the California State University. The University of California shall continue to submit its "Annual Academic Personnel Statistical Report." The California State University shall submit a report to the Commission on faculty demographics, promotions and separations, origins and destinations, and related data. Both the University and the State University will submit their supplemental reports not later than April 1.

11. Criteria for the selection of comparison institutions

University of California

The following four criteria will be used to select comparison institutions for the University.

- 1 Each institution should be an eminent major university offering a broad spectrum of undergraduate, graduate (Master's and PhD), and professional instruction, and with a faculty responsible for research as well as teaching.
- 2 Each institution should be one with which the University is in significant and continuing competition in the recruitment and retention of faculty.
- 3 Each institution should be one from which it is possible to collect salary and benefit cost data on a timely, voluntary, and regular basis. (Not all institutions are willing to provide their salary and benefit cost data, especially in the detail required for comparison purposes.)
- 4 The comparison group should be composed of both public and private institutions.

In selecting these institutions, stability over time in the composition of the comparison group is important to enable the development of faculty salary market perspective, time-series analysis, and the contacts necessary for gathering required data.

The California State University

The following five criteria will be used to select comparison institutions for the California State University.

- 1 *General comparability of institutions* Comparison institutions should reflect the mission, functions, purposes, objectives, and institutional diversity of the California State University system. Faculty expectations at the comparison institutions, in terms of pay, benefits, workload, and professional responsibilities, should be relatively similar to those prevailing at the California State University. To those ends, State University comparison institutions should include those that offer a wide variety of programs at both the undergraduate and graduate levels but that grant very few if any doctoral degrees. Specifically, the 20 institutions that awarded the largest number of doctoral degrees during the ten-year period between 1973-74 and 1983-84 should be excluded. The list should include both large and small, and urban and rural institutions from each of the four major regions of the country (Northeast, North Central, South, and West). Approximately one-fourth to one-third of the institutions on the list should be private or independent colleges and universities, and none of these institutions should be staffed predominantly with religious faculty.
- 2 *Economic comparability of institutional location* The comparison group, taken as a whole, should reflect a general comparability in living costs and economic welfare to conditions prevailing in California. Consequently, institutions located in very high cost areas, such as New York City, or in severely economically depressed areas, should not be included on the list. In order to ensure a continuing economic comparability between California and those regions in which comparison institutions are located, the Commission will periodically review such economic indicators as it considers appropriate and include the results of its sur-

veys in its annual report on faculty salaries and fringe benefit costs

- 3 *Availability of data* Each institution should be one from which it is possible to collect salary and benefit cost data on a timely, voluntary, and regular basis. (Not all institutions are willing to provide their salary and benefit cost data, especially in the detail required for comparison purposes)

- 4 *Fringe benefits* The comparison institutions should provide fringe benefits, including a retirement program that vests in the faculty member within five years

5. *University of California comparison institutions* The California State University's comparison group should not include any institution used by the University of California for its comparison group

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

THE California Postsecondary Education Commission is a citizen board established in 1974 by the Legislature and Governor to coordinate the efforts of California's colleges and universities and to provide independent, non-partisan policy analysis and recommendations to the Governor and Legislature.

Members of the Commission

The Commission consists of 17 members. Nine represent the general public, with three each appointed for six-year terms by the Governor, the Senate Rules Committee, and the Speaker of the Assembly. Six others represent the major segments of postsecondary education in California. Two student members will be appointed by the Governor

As of August 1992, the Commissioners representing the general public are:

Helen Z. Hansen, Long Beach, *Chair*
Henry Der, San Francisco; *Vice Chair*
Mim Andelson, Los Angeles
C. Thomas Dean, Long Beach
Rosalind K. Goddard, Los Angeles
Mari-Luci Jaramillo, Emeryville
Lowell J Paige, El Macero
Tong Soo Chung, Los Angeles
Stephen P Teale, M D , Modesto

Representatives of the segments are:

Alice J. Gozales, Rocklin; appointed by the Regents of the University of California,

Joseph D.Carrabino, Los Angeles; appointed by the California State Board of Education;

Timothy P. Haidinger, Rancho Santa Fe; appointed by the Board of Governors of the California Community Colleges;

Ted J. Saenger, San Francisco; appointed by the Trustees of the California State University; and

Harry Wugalter, Ventura; appointed by the Council for Private Postsecondary and Vocational Education

The position of representative of California's independent colleges and universities is currently vacant, as are those of the two student representatives.

Functions of the Commission

The Commission is charged by the Legislature and Governor to "assure the effective utilization of public postsecondary education resources, thereby eliminating waste and unnecessary duplication, and to promote diversity, innovation, and responsiveness to student and societal needs "

To this end, the Commission conducts independent reviews of matters affecting the 2,600 institutions of postsecondary education in California, including community colleges, four-year colleges, universities, and professional and occupational schools.

As an advisory body to the Legislature and Governor, the Commission does not govern or administer any institutions, nor does it approve, authorize, or accredit any of them. Instead, it performs its specific duties of planning, evaluation, and coordination by cooperating with other State agencies and non-governmental groups that perform those other governing, administrative, and assessment functions

Operation of the Commission

The Commission holds regular meetings throughout the year at which it debates and takes action on staff studies and takes positions on proposed legislation affecting education beyond the high school in California. By law, its meetings are open to the public. Requests to speak at a meeting may be made by writing the Commission in advance or by submitting a request before the start of the meeting

The Commission's day-to-day work is carried out by its staff in Sacramento, under the guidance of its executive director, Warren H Fox, Ph.D , who is appointed by the Commission

The Commission issues some 20 to 30 reports each year on major issues confronting California postsecondary education, and it makes these publications available to the public while supplies last.

Further information about the Commission and its publications may be obtained from the Commission offices at 1303 J Street, Fifth Floor, Sacramento, CA 98514-2938, telephone (916) 445-7933.

FACULTY SALARY REVISIONS

California Postsecondary Education Commission Report 87-27

ONE of a series of reports published by the Commission as part of its planning and coordinating responsibilities. Additional copies may be obtained without charge from the Publications Office, California Postsecondary Education Commission, Third Floor, 1020 Twelfth Street, Sacramento, California 95814-3985

Other recent reports of the Commission include

87-9 Expanding Educational Equity in California's Schools and Colleges. A Review of Existing and Proposed Programs, 1986-87. A Report to the California Postsecondary Education Commission by Juan C. Gonzalez and Sylvia Hurtado of the Higher Education Research Institute, UCLA, January 20, 1987 (February 87)

87-10 Overview of the 1987-88 Governor's Budget for Postsecondary Education in California, Presented to the Senate Budget and Fiscal Review Subcommittee #1 by William H. Pickens, Executive Director, California Postsecondary Education Commission (March 1987)

87-11 The Doctorate in Education: Issues of Supply and Demand in California (March 1987)

87-12 Student Public Service and the "Human Corps." A Report to the Legislature in Response to Assembly Concurrent Resolution 158 (Chapter 165 of the Statutes of 1986) (March 1987)

87-13 Standardized Tests Used for Higher Education Admission and Placement in California During 1986. The Second in a Series of Annual Reports Published in Accordance with Senate Bill 1758 (Chapter 1505, Statutes of 1984) (March 1987)

87-14 Time Required to Earn the Bachelor's Degree. A Commission Review of Studies by the California State University and the University of California in Response to Senate Bill 2066 (1986) (March 1987)

87-15 Comments on the Report of the California State University Regarding the Potential Effects of Its 1988 Course Requirements. A Report to the Legislature in Response to Assembly Concurrent Resolution 158 (Chapter 165 of the Statutes of 1986) (March 1987)

87-16 Changes in California State Oversight of Private Postsecondary Education Institutions. A Staff Report to the California Postsecondary Education Commission (March 1987)

87-17 Faculty Salaries in California's Public Universities, 1987-88. The Commission's 1986 Report to the Legislature and Governor in Response to Senate Concurrent Resolution No. 51 (1965) (March 1987)

87-18 Funding Excellence in California Higher Education. A Report in Response to Assembly Concurrent Resolution 141 (1986) (March 1987)

87-19 The Class of '83 One Year Later. A Report on Follow-Up Surveys from the Commission's 1983 High School Eligibility Study (March 1987)

87-20 Background Papers of the ACR 141 Task Force on Funding Excellence in Higher Education (March 1987)

87-21 Educational Costs in Technical and Professional Fields of Study. A Report to the Legislature in Response to Assembly Concurrent Resolution 38 (Chapter 50 of the Statutes of 1986) (April 1987)

87-22 Update of Community College Transfer Student Statistics, University of California and the California State University, Fall 1986 (April 1987)

87-23 Annual Report on Program Review Activities, 1985-86. The Eleventh in a Series of Reports to the Legislature and the Governor on Program Review by Commission Staff and California's Public Colleges and Universities (June 1987)

87-25 Institutional Reports on Pacific Rim Programs. Submissions by the California Community Colleges, the California State University, and the University of California in Response to Assembly Concurrent Resolution 82 (1986) (June 1987) (A supplement to Report 87-24)

87-26 Major Gains and Losses. Part Two. A Staff Report on Shifts Since 1976 in the Popularity of Various Academic Disciplines as Fields of Study at California's Public Universities (June 1987)

87-28 Comments on the Second Draft of the Master Plan for Postsecondary Education, 1987-2002, by William H. Pickens. Executive Director's Report, June 1987 (June 1987)